

Service Date: October 17, 2003

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER OF the Application of	)	UTILITY DIVISION
MOUNTAIN WATER COMPANY to	)	DOCKET NO. D2003.8.122
Implement Annual Power Cost Tracking	)	ORDER NO. 6515
Adjustment	)	

\* \* \* \* \*

INTERIM ORDER

FINDINGS OF FACT

1. On August 27, 2003, Mountain Water Company (MWC) filed an application with the Montana Public Service Commission (PSC) requesting approval of its annual power cost tracking adjustment (PTA). This filing was made pursuant to authorization to implement a purchased power tracking adjustment granted by the PSC in its Order 6423b entered in PSC Docket D2002.5.60 for water service in its Missoula Division. On September 17, 2003, MWC filed a Motion for Interim Approval of Power Tracking Adjustment in which MWC requested approval to implement the proposed increase on an interim basis for bills rendered on and after October 1, 2003.

2. MWC states that its current tariffs are based on power costs effective July 1, 2002, and that power costs have risen dramatically. As of July 15, 2003, the commodity portion of these electric costs has increased approximately 21 per cent for the customer classes under which MWC is charged. To meet these increases MWC is requesting to increase the rates it is authorized to charge its customers in the Missoula Division by an average of 1.86 per cent or approximately \$240,279.

3. MWC is asking that the tariffs read for bills rendered on and after October 1, 2003. By using the term "bills rendered" rather than "services rendered" MWC hopes to prevent any claims of retroactive rate making. The PSC agrees to this request for interim purposes.

4. The cost of purchased power, according to MWC, is one of the most significant components of MWC's costs of providing water service to its customers. The PTA, it says, was designed to be implemented on a regularly scheduled annual basis, in order to timely reflect the cost of purchased power in rates it is authorized to charge. MWC states that its annual power bill is now projected to exceed one million dollars.

5. On the Montana Consumer Counsel (MCC) petitioned the PSC for general intervention in this proceeding. The PSC has received written notification from the MCC that it does not oppose the issuance of an interim order in this docket.

6. The PSC finds interim application of the requested increase in rates to be just and reasonable.

### CONCLUSION OF LAW

1. MWC is a public utility offering water service to customers in the Missoula, Montana area. As such, it is subject to the supervision, regulation and control of the PSC pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

2. Section 69-3-304, MCA, provides that the PSC may temporarily approve increases pending a hearing or final decision.

3. The PSC concludes that the grant of an interim rate increase as set forth is just, reasonable and within the discretion granted by § 69-3-304, MCA.

### ORDER

1. MWC is hereby granted authority to implement, on an interim basis, increased rates for its Missoula, Montana and area customers, designed to generate additional annual revenues in the amount of \$240,279.

2. MWC must file tariffs in compliance with the Findings of Facts in this Interim Order.

3. Nothing in this Order precludes the PSC from adopting in its Final Order a revenue requirement different from that in this Interim Order. If the final decision is to disapprove all or part of the requested increase, the PSC may order a rebate to consumers of the amount collected

retroactive to the effective date of this Interim Order and shall order interest to be paid on any such rebate.

4. Interim approval of any matter in this proceeding should not be viewed as final endorsement by the PSC of any issues, calculations or methodologies approved in the Interim Order.

5. This Interim Order is effective for all bills rendered on or after October 1, 2004.

DONE IN OPEN SESSION at Helena, Montana on this 30<sup>th</sup> day of September 2003 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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BOB ROWE, Chairman

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THOMAS J. SCHNEIDER, Vice Chairman

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GREG JERGESON, Commissioner

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MATT BRAINARD, Commissioner

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JAY STOVALL, Commissioner

ATTEST:

Connie Jones  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.